## Term 2 Elective Modules

**Note:** Students must choose THREE modules from the list of available electives. The following list is indicative only, minor changes are possible. Further information and confirmation of available electives will be provided at the end of Term 1.

## Electives (brief list, details on following pages):

IB9CR0:	Alternative Investments	AI
IB9Y20:	Behavioural Finance	BF
IB9CS0:	Big Data Analytics	BDA
IB9X70:	Derivative Securities	DS
IB9KE0:	Financial Reporting and Financial Statement Analysis	FRSA
IB95R0:	Financial Risk Management	FRM
IB9X80:	Fixed Income & Credit Risk	FICR
IB9JE0:	Forecasting Economic & Financial Time Series	FEFTS
IB9Y40:	International Financial Management	IFM
IB9AG0:	Judgement & Decision Making	JDM
IB9Y30:	Mergers and Acquisitions & Corporate Control	MACC
IB9EL0:	Practice of Investment Management	POIM



IB9CR0:	Alternative Investments AI
	This module will provide students with all the insights needed to make well- informed decisions with regard to today's complex investment management environment. Subjects covered will include:
Illustrative Syllabus:	(indicative, may be subject to minor changes) The Differences between Hedge Funds and Mutual Funds The main Hedge Fund Databases and Indices The Most Typical Hedge Fund Investment Strategies The Statistical Properties of Hedge Fund Returns Hedge Fund Performance so Far and its Drivers The role Hedge Funds may Play in an Investment Portfolio Introduction to Private Equity
Assessment:	2-hour <b>Exam</b> (Term 3: April/May) counting for 75% of the module mark, and <b>Group Presentation</b> (25%).
IB9Y20:	Behavioural Finance BF
	The module primarily concentrates on the psychological motivations that underlie financial decisions and their aggregate implications. In some cases, these motivations could be contrasted with ethical practice with regard to stakeholders and the financial system as a whole. Topics covered include:
Illustrative Syllabus:	(indicative, may be subject to minor changes) Introduction to Behavioural Finance Decision heuristics Limits to Arbitrage Style investing Prospect theory Ambiguity Investor overconfidence Investor sentiment
Assessment:	2-hour <b>Exam</b> in Term 3 (April/May) counting for 80% of the module mark, and <b>Individual essay</b> 20%.



IB9CS0:	Big Data Analytics BD
	This module will cover a wide range of cutting-edge research in Big Data Analytic. The module has a particular focus on the extensive value of data from the Interne much of which is freely available if students have the skills to find it. Students takin this course will strongly benefit from previous knowledge of basic statistics. Th module's flexible project-based structure also caters for students who alread possess more advanced knowledge of statistics.
Illustrative Syllabus:	(indicative, may be subject to minor changes) Data Science Data mining Processing large data sets Visualising data Practical programming skills in R
Assessment:	Individual Essay (3,000 words) counting for 80% of the module mark, and 2 Coursework Exercises ( $2 \times 10\% = 20\%$ ).
IB9X70:	Derivative Securities D
	This module will develop an in-depth understanding of the characteristics of different classes of derivative securities such as forwards and futures, swaps an options; the markets in which these securities are traded; their potential use of instruments for managing risk; methods for valuing these securities; and the application of these methods in other areas of finance. Topics covered include:
Illustrative Syllabus:	(indicative, may be subject to minor changes) Forwards and Futures Markets Futures Pricing: Using Futures to Hedge Risks Forward Rates and Interest Rate Derivatives Options Markets Strategies Involving Options Option Pricing in the Binomial Model Black-Scholes Pricing Formula and the "Greeks" Measuring and Managing the Risk of Options Portfolios.
Assessment:	2-hour <b>Exam</b> (Term 3: April/May) counting for 80% of the module mark, and

Class Test (20%).



IB9KE0:	Financial Reporting and Financial Statement Analysis FRSA
	This module aims to enable students to interpret financial statements in context and apply appropriate models and techniques for company valuation and related business issues. To enable students to gain an understanding of how accounting provides data for corporate finance analysis. Topics covered include:
Illustrative Syllabus:	(indicative, may be subject to minor changes) Introduction to financial accounting (booster videos) Cash flow and profit as financial performance measures Reformulating financial statements for valuation analysis Ratio analysis and forecasting financial performance Cash flow and accounting valuation models: implementation issues Relative valuation – price multiples Earnings management and financial statement analysis Value relevance of financial statements: past, present and future
Assessment:	Individual Project (2,500 words) counting for 65% of the module mark, Group Class Presentation 20% and Video Presentation 15%.
IB95R0:	Financial Risk Management FRM
Illustrative Syllabus:	The module is designed to introduce students to the area of risk management applied to finance. It uses knowledge from quantitative methods, hedging, and financial theory in general, acquired in Term 1. Topics covered include: (indicative, may be subject to minor changes) Financial Risk Management regulatory framework: (Basel 11 and Solvency II) Risk management and risk measurement Market risk Credit risk Operational risk
Assessment:	Firm level risk management: economic capital, capital allocation, RAROC 2-hour <b>Exam</b> (Term 3: April/May) counting for 80% of the module mark, and <b>Class Test</b> (20%).



IB9X80:	Fixed Income & Credit Risk FICR
	This module will help students get to grips with the tools for the assessment and management of fixed income and credit risk. Topics covered include:
Illustrative Syllabus:	(indicative, may be subject to minor changes) Interest-rate and credit risk markets Common interest-rate and credit instruments The yield curve and its use in risk management Modelling the yield curve Fundamental fixed income and credit models Interest rate risk management Credit risk management
Assessment:	1.5-hour <b>Exam</b> (Term 3: April/May) counting for 70% of the module mark, <b>Class Test</b> (10%), and <b>Group Project</b> (20%).
IB9JE0:	Forecasting Economic & Financial Time Series FEFTS
	In this module we develop the skills required in order to produce and evaluate forecasts of economic and financial time series which can be used for decision making in government, financial markets, hedge funds and economics more generally.
Illustrative Syllabus:	(indicative, may be subject to minor changes) Forecasting using time series models: ARMA models – trend/cycle/seasonal, ARDL models, simple conditional forecasts (Variables: stock returns, interest rates rates), VARs, scenario/contingent forecasting. (Variables: inflation, oil price changes) Forecast Evaluation: concepts in absolute and relative evaluation, RMSE, rolling versus recursive, pseudo out-of-sample exercises, a few tests Density forecasting and uncertainty Data science methods: including data cleaning, data visualization, with am emphasis on practical examples.

Assessment: Individual assignment (3,500 words) counting for 100%



IB9Y40:	International Financial Management IF	м
	This module aims to extend students' knowledge and understanding of the fundamental concepts of international finance, emphasizing the operation of the spot and forward foreign exchange markets. It will provide first-hand experience with forex markets via empirical data and trading contest, and develop student critical reasoning skills in the context of international financial risk management Topics covered include:	he ce ts' nt.
Illustrative Syllabus:	(indicative, may be subject to minor changes) International Parity Conditions Exchange Rates and Inflation Balance of Payments Exchange Rate Determination and Forecasting International Capital Markets.	
Assessment:	2-hour <b>Exam</b> (Term 3: April/May) counting for 80% of the module mark <b>Group Project</b> (20%).	
IB9AG0:	Judgement & Decision Making JD	м
	This module outlines the key principles and phenomena underlying huma judgement and decision making. It aims to encourage students to see how th insights from this work can (i) Understand the origins of rational and irrationali in financial decision makers, and financial markets. (ii) Help improve their ow financial decision-making, judgements and predictions, by providing an awarene of biases and pitfalls. Provide a broader understanding of decision-makin throughout the finance industry, including strategic and managerial decision making. Topics covered include:	ת ה לע לע י ר י ג ג ג ג ג ג ג ג ג ג ג ג ג ג ג ג ג
Illustrative Syllabus:	(indicative, may be subject to minor changes) The Nature of Rationality Theoretical Perspective on Human Judgement The Psychology of Value and Utility Decision-Making under Certainty Decision-Making under Risk Judgement Confidence and Expertise Decision-Making in Markets, Groups and Society	
Assessment:	Individual <b>Essay</b> (3,000 words) counting for 80% of the module mark, and <b>Group Presentation</b> (20%).	



IB9Y30:	Mergers and Acquisitions & Corporate Control MA	CC
	This module is designed to introduce students to the basic issues in mergers a acquisitions from corporate finance point of view. The module will be based on t main research papers in the field. Topics covered will include:	nd he
Illustrative	(indicative, may be subject to minor changes)	
Svllabus:	Value Creation in Takeovers	
-,	Abnormal Returns	
	Merger Waves:	
	Main Characteristics of Individual Waves, and	
	Theoretical Explanations for Cyclical Patterns	
	Private Equity	
	Ownership Structure:	
	Costs and Benefits of Concentrated versus Dispersed Ownership,	
	Empirical Evidence, and	
	Law and Finance (Shareholder Protection)	
	Modelling the Takeover Process	
Assessment:	1.5-hour <b>Exam</b> (Term 3: April/May) counting for 60% of the module mark, and 2 <b>Group Assignments</b> plus 3 <b>Weekly Coursework</b> (altogether 40%).	
IB9ELO:	Practice of Investment Management POI	М
	This module aims to give students a realistic experience of the responsibiliti	es
	involved in managing money for clients. It provides an introduction to practic investment management techniques, building on the work of the modules of t first term and requires that each student run a simulated portfolio on a re portfolio management system. Concurrently, it encourages students to enga with current topics in the financial news and understand what effect such news m have for the securities they manage. This module provides continuity, context a a contemporary angle. Topics covered include:	:al he eal ge ay nd
Illustrative	(indicative, may be subject to minor changes)	
Syllabus:	How to Structure a Beta Portfolio	
	Risk Management from a Practical Perspective:	
	Stop Loss Management,	
	Macro Risk, and	
	Value-at-Risk (VaR) Analysis	
	Pre and Post Transaction Cost Analysis: Breaking Even in the Real World	
Assessment:	Individual Coursework counting for 60% of the module mark, and Group Project (40%).	